

**Before the
Federal Communications Commission
Washington, DC 20554**

In the Matter of)
)
Application by BellSouth Corporation,)
And Its Subsidiaries, BellSouth)
Telecommunications, Inc., And)
BellSouth Long Distance, Inc.)
For Authorization To Provide,)
In-Region InterLATA Services)
in Georgia and Louisiana)

CC Docket No. 01-277

**COMMENTS REGARDING
BELLSOUTH CORPORATION APPLICATION FOR
AUTHORIZATION UNDER SECTION 271 OF THE COMMUNICATIONS ACT
TO PROVIDE IN-REGION, INTERLATA SERVICES
IN THE STATES OF GEORGIA AND LOUISIANA**

SUBMITTED BY THE

**NATIONAL ASSOCIATION OF COMMUNITY ACTION AGENCIES
UNITED HOMEOWNERS ASSOCIATION**

October 22, 2001

TABLE OF CONTENTS

Section	Page
I. Statement of Interest	3
II. Comments	4
III. Conclusion	7

The undersigned public interest and consumer organizations hereby support BellSouth's joint Georgia and Louisiana 271 applications (hereinafter referred to as Application) filed by BellSouth Corporation, and its subsidiaries, BellSouth Telecommunications, Inc., and BellSouth Long Distance, Inc., (hereinafter referred to as BellSouth) for authorization to provide in-region, interLATA service in the States of Georgia and Louisiana, pursuant to section 271 of the Communications Act of 1934, as amended (the Act), 47 U.S.C. § 271. We urge the Commission to undertake an expeditious review and approval of BellSouth's Application.

As expressed in greater detail below, we support BellSouth's Application as being in the public interest and of real benefit to telecommunications consumers in the States of Georgia and Louisiana. The primary goal of the Act is to promote competition in the telecommunications marketplace. BellSouth has demonstrated that it has met the requirements set forth by the Act evidenced by both the Georgia and Louisiana Public Service Commissions unanimously approving BellSouth's entry into their respective long distance market.

I. Statements of Interest

The National Association of Community Action Agencies (NACAA) serves as a national forum for policy on poverty and to strengthen, promote, represent and serve its network of member agencies to assure that the issues of the poor are effectively heard and addressed. NACAA advances the economic condition, educational attainment, political influence, health and civil rights of low-income Americans through community-

based programs operating at more than 900 Community Action Agencies nationwide. It is NACAA's mission to ensure that low-income Americans are not left behind.

United Homeowners Association (UHA) is a national, nonprofit, membership based organization that represents the interests of homeowners in Washington, DC. UHA has an active communications advocacy program on behalf of its members. UHA has promoted the interests of homeowners in telecommunications to Congress, before the FCC and in the Courts.

II. Comments

Five years have passed since Congress approved the Telecommunications Act of 1996 (the Act). Although the Act promised Americans economic development, job creation, and access for consumers to competitive communications services, only a fraction of Americans enjoy this promise. Consumers in only seven states -- New York, Texas, Kansas, Oklahoma, Massachusetts, Connecticut and Pennsylvania -- are realizing the benefits of the Act. Americans require rapid deployment of a fully competitive marketplace to ensure that consumers in Georgia and Louisiana and across the nation will reap the benefits of economic development, job creation, and affordable access to modern telecommunications products and services.

The Commenters support BellSouth's Application with the Commission. BellSouth's application comes after diligent work to meet the 14-point competitive checklist specified in the Act. The requirements of Section 271(c) include the 14-point competitive checklist for access and interconnection on fair and nondiscriminatory terms,

as well as nondiscriminatory access to BellSouth's Operations Support Systems (OSS) and the existence of appropriate OSS performance measures and remedies.

In fulfillment of the Act, BellSouth has opened its Georgia and Louisiana markets to local competition. In Louisiana, for example, the level of competition to provide local telephone service has increased dramatically. More than 80 Competitive Local Exchange Carriers (CLECs) now serve more than 230,000 residence and business customers in this state. This represents almost five times the number of customers served by CLECs three years ago, when BellSouth filed its last Louisiana 271 application with the FCC. CLECs in Louisiana have captured nearly 9 percent of the total number of customers and more than 18 percent of the business customers. CLECs collectively serve more customers than all independent telephone companies in Louisiana combined - a feat they accomplished in less than five years. BellSouth has spent nearly \$2 billion across its regions to improve operational support systems. Additionally, BellSouth has dedicated more than 3,000 full-time employees to assist its competitors' growth. Furthermore, in Georgia, KPMG Consulting conducted a third party test under the direction of the Georgia Public Service Commission. KPMG Consulting determined that BellSouth passed nearly 100 percent of the more than 1,000 tests of the systems and procedures that support local competition across BellSouth's nine-state region.

We believe that consumers in Georgia and Louisiana will benefit from BellSouth's entry into the long distance market through increased competition and the lowering of basic rates. Consumers often depend on long distance telephone service to maintain contact with family members and friends who live in distant locations.

Unfortunately, many consumers typically rely on basic rates for their phone service rather than taking advantage of calling plans. Despite massive advertising and aggressive marketing by long distance companies, most consumers still pay basic rates, the highest rates available, and have not seen significant savings in their long distance bills as the cost of providing service has gone down.

Competition is key in lowering long distance rates. Allowing BellSouth to enter the long-distance market in the Georgia and Louisiana will save consumers millions annually. According to economist Stephen B. Pociask, BellSouth's entry into the long-distance market will spur competition. This competition typically results in decreases of 20 percent – 30 percent in the long-distance prices paid by many customers. That has already proven to be the case in states like New York where the local telephone company now competes for long-distance service. Pociask concludes that customers "are losing as much as \$4.6 billion in potential benefits from competition because of long-distance regulatory barriers in the states served by BellSouth."¹ Renewed competition will cause the overall market to grow, causing savings to grow as usage grows.

Consumers in Georgia and Louisiana require more competition – not more regulation. In a recent study, the Telecommunications Research and Action Center found the following:

...consumers in four states-Pennsylvania, Illinois, Florida and Georgia-could save at least \$304 million on local phone service and \$203 million on long-distance service and possibly as much as \$1billion on local phone service and \$730 million on long-distance service after one year of increased competition in those markets.²

¹ Stephen B. Pociask concludes in the recent study "*Competition and Consumer Benefits: A Quantitative Assessment of the In-region BellSouth Long-Distance Market.*"

² September 6, 2001 <http://trac.policy.net/proactive/newsroom/release.vtml?id=18880>

The Commenters understand and appreciate the Commission's role in carefully examining this Application, but the Commission should not use this process to inhibit competition in this dynamically changing marketplace. By doing so, the benefits of increased competition and choice for all telecommunications consumers will not be realized. Additionally, given recent events, it is more important than ever that consumers be provided access to competitive long distance rates. The Commenters anticipate that BellSouth will uphold the precedents set in New York, Massachusetts, and Pennsylvania, among others, by offering Georgia and Louisiana residential consumers in calling plans that are simpler and less expensive than most.

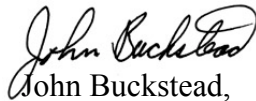
The Commenters believe the BellSouth's Application should be approved on its merits and for its ability to bring reality to the competitive goals of the Act. Georgia and Louisiana consumers deserve the opportunity of choice for their local, long distance and advanced telephony services. It is not in the public interest to delay or deny for any considerable period of time, the entry of a new and major competitor for long distance services in Georgia or Louisiana. As in other states that have competitive long distance services, consumers in Georgia and Louisiana will recognize immediate benefits from competition, once BellSouth begins to offer long distance service in these states.

III. Conclusion

The Commenters again assert that the BellSouth's Application should be approved. According to comprehensive tests conducted by KPMG Consulting and the close scrutiny of the state regulators—BellSouth, Georgia, and Louisiana are ready for

competition. The Commenters trust that the Commission will come to this same conclusion and take positive steps to offer Georgia and Louisiana consumers the benefits of competition that the Act envisioned. The Commission must look at the pro-competitive benefits of BellSouth's Application and quickly approve it.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "John Buckstead".

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